

Joint Meeting of the Executive, Finance, Public Works Committees
Minutes of Monday, December 8, 2003

Chairman Dwyer called the meeting to order at 8:37 a.m.

Haukohl reported that a quorum of the Finance Committee was present. Manke reported that a quorum of the Public Works Committee was present.

Present from the Executive Committee: Chairman James Dwyer, County Board Supervisors Patricia Haukohl, Kenneth Herro, Walter Kolb, Richard Manke, Duane Paulson and Duane Stamsta.

Present from the Finance Committee: Chair Patricia Haukohl, County Board Supervisors James Behrend, Donald Broesch, Genia Bruce, Joseph Griffin and Bonnie Morris. **Absent:** Joe Marchese.

Present from the Public Works Committee: Chair Richard Manke, County Board Supervisors James Behrend, Genia Bruce, Hank Carlson, Karl Nilson, Rodell Singert and David Swan.

Also Present: Wisconsin Department of Transportation Frank Huntington, SEWRPC Transportation Planner Joni Herren, Chief of Staff Lee Esler, Senior Financial Analyst Mike Baniel, Legislative Policy Advisor Mark Mader, Chief of Staff Allison Bussler, Budget Manager Keith Swartz, Supervisor Bill Mitchell, Ed Stoltz and Office Services Coordinator Windy Jicha.

Discuss Finance, Intergovernmental and Policy Issues Regarding Waukesha County Membership in the Wisconsin River Rail Transit Commission (WRRTC)

Huntington said the WRRTC began in the 1980's when there was a problem with railroad abandonments. Local involvement in the railroads was important statewide from the beginning even in the western side of the state where the rail lines aren't used very much. The program provides 100% of the funds for acquiring lands and 80% of the funds for fixing up the properties. Those railroads that were to be abandoned were lightly used and not maintained by the railroad companies. The rails were in poor shape and needed a lot of rehabilitation. It is still a marginal system as far as rail systems go. There was a time when the state could own the land but not the tracks. The state needed a local partner to own the rails and that's where the WRRTC came into play. He feels it is important to keep local government involved in the program. The programs in the past have been local initiatives with very few state initiatives. The WRRTC works locally because of economic development issues and road use. The rail lines take bulky, heavy items off the roads. The roads were not built to handle these types of cargo. Using the rail lines saves road maintenance and money.

Dwyer asked are there WRRTCs in all areas of the state? Huntington indicated on a map where the WRRTCs were located in Wisconsin. The state has purchased more than 900 miles of railroads since the program started. Many of those miles have been turned into trails.

Kolb said the private railroads do well. It seems that when the lines aren't profitable any longer, they go out of business or they become a burden on the taxpayer. What is your feeling that this is a priority to continue operating a system that doesn't turn a profit? Huntington said there are other forms of transportation that receive subsidies such as the trucking industry. Kolb said everyone benefits from the road infrastructure but not everyone benefits from the railroads. Huntington said railroads do pay taxes and they do help all the people. Industries who use the railroads pay taxes and the freight on the railroads travels to the people. The motor freight industry gets subsidies. There are economic benefits of using the railroads such as getting the heavier stuff off the highways. The key is to preserve the lines for future uses and to hold these corridors in place until they are needed. Once the railroads are gone, they are gone. It is difficult to go back in and reconstruct the railroads. It is important to keep the lines open

to transport freight and to help businesses locate in areas that are close to the rails. Car drivers subsidize the road freight business in the form of gas tax. The rails are a small investment for the state.

Kolb said he would like to amplify the benefits of rail versus road transportation. Do you have any studies showing the benefit of using rail in southeastern Wisconsin versus other modes of transportation? Huntington said they have a report showing the numbers of rail cars versus the number of trucks. They don't have any reports that break down the results between the state and privately owned rail lines. It would be difficult to divide out these numbers. They do have state figures of railcar use versus truck use.

Paulson said three to four truck trailers could be loaded into one rail car. If 45,000 – 50,000 rail cars travel through the state, that's a huge savings. You keep saying this is owned by the State of Wisconsin. Are Ashland County and other northern counties participating? Why would the state ask for a county contribution? Huntington said the state owns the land and the commission owns the infrastructure and rail lines, It is a partnership. Paulson asked what would have happened if Waukesha County would not have joined the commission? Huntington said it is hard to predict. Jefferson County didn't join so the other counties had to pay more money to cover the costs of that county.

Paulson said we should subsidize these lines but he doesn't know the amount. There's a quid pro quo here. Huntington said if counties decide not to put money into the Commission, he would argue they should be involved. Local involvement is very important. Paulson asked what if we don't contribute money? Huntington said other counties would have to contribute Waukesha County's portion, less rehabilitation projects would be completed or they would have to ask the state for more money. The WRRTC is not asking for a huge amount of money. They've had pretty good support from the counties even though it has taken quite a bit of debate and discussion.

Dwyer said the rest of the railroad lines have been trying to make a profit. What isn't clear is where and when has the state been involved and where are the lines privately owned. When private industry doesn't put money into something, the state can decide to put money into these programs. The trucking industry has been able to ship more real-time shipments so rail isn't used as much. What does it cost to transport by truck versus rail? Huntington said the cost depends on the commodity. Plastics travel a lot by rail. It is difficult to say what the cost is because there are so many different types of commodities. Some things travel better by rail. Timing wise, the railroads have improved significantly and sometimes it doesn't matter how long it takes to transport something. For quicker service, people use truck travel. By the year 2020, they are expecting a 50% gain in freight travel. He doesn't have a lot of specifics on this issue.

Stamsta said he supports rail and corridor preservation. Once they are gone, we won't be able to replace them. We need to highlight the benefits for Waukesha County. Huntington said with rail use, you keep trucks off the roads. There are only two rail shippers in Waukesha County but he couldn't remember who they are. It is a shared responsibility for state and counties.

Stamsta asked what do we receive from railroads besides goods? Huntington said plastics, grain, paper products, fertilizers and chemicals are some things that we receive from railroad transportation. He doesn't know specifically what comes into Waukesha County.

Griffin asked if Huntington has had success getting Jefferson or Richland Counties to come on board with the Commission? When you take freight to Chicago, is there an equal amount of cargo brought back? Huntington said there are cars brought back but he doesn't know if it is an equal amount. He

thinks there is more being shipped out than returned. Huntington hasn't gone to Richland or Jefferson Counties in a few years. He knows the WRRTC has gone to them several times. These counties have a very short segment of track running through them. Jefferson County has six to seven miles of track while Richland County only has two to three miles. If there would be new businesses developed in these areas maybe the counties would want to get involved.

Carlson said it is important to maintain these corridors. If we look at the amount of money we are asked to subsidize, we couldn't fix stoplights at an intersection for that amount. We need to look at what is shipped in and shipped out of the rail lines in Waukesha County. Quad Graphics uses the rail lines to ship paper to their facilities. We need to preserve these corridors. The cost per county is certainly not insurmountable.

Herro asked why is this important for the southeastern region of the state? Where do you want to go with it? We don't know what we are voting for. Huntington said we've accomplished a great deal and are making progress. He doesn't have any good answers to these questions. Things are improving and changes are being made.

Herro asked how many businesses are we going to affect? Huntington said he doesn't have any specific numbers. He can just give examples of the situations. He doesn't know what is happening in Waukesha County and he is not sure what is in the works right now.

Swan asked how many miles of rail run through Waukesha County? Huntington said ten to twelve miles. Currently, counties can opt out of the Commission if they choose. He doesn't know if a mandatory plan can be created. Right now the program has voluntary participation. Swan said the railroads have not responded to public or municipal requests in regards to items such as intersections and changing grade levels. In the past, no one knew who to talk to if there were issues that needed to be discussed and corrected.

Nilson said there are five rail commissions. We have to keep in mind the reason trucks are hauling freight is because businesses aren't planning ahead. If it weren't for truck transport, everything would grind to a halt. If fuel costs doubled, it would be a whole new ball game. The rails keep the hazardous materials off of the roads. If we have to rehabilitate the track in Waukesha County, all counties in the commission would contribute funds pay for repairs. The state puts in a paltry sum of money to keep the railroads running. The stuff we ship by rail is heavy stuff you don't want to carry over the roads. Waukesha County needs to do its share to keep its portion of the track in shape.

Esler said we've had this presentation twice in the Public Works Committee. The 3-5-7 Year Improvement Plan states that 80% of the funding should come from the state and 10% from participating counties. The current legislation states that Waukesha County will release its \$26,300 if the other participating counties fund the WRRTC in a like manner. If the other counties pony up their share, how is the state going to make its matching payments? Herron said there are only two counties she hasn't heard from. The other counties are putting up new money or using money from previous contributions. Huntington said the state has made a commitment to fund projects. Currently, \$1.5 million of state funds are committed for specific project (Janesville to Milton Junction) and another \$2.5 million is set aside for unidentified projects.

Esler said the two-year biannual budget of \$4.5 million for the rail costs from the state is for the entire state. Huntington said they just finished a new acquisition that consumed a lot of funds. Their budget cannot keep up with the 3 - 5 - 7 year plan. Esler said the release of the money from the

NonDepartmental budget cannot occur until the state releases money and also without further legislative action if the charter ordinance needs to be changed.

Supervisor Broesch left at 10 a.m.

Stoltz said it is good that we look for the cooperation of the other counties but he hates to see Waukesha County insisting on being the last one to join. We ought to be the leading county.

Manke said he would like to see the Finance and Public Works Committees review this issue again, release the funds and put them in the budget for next year. We shouldn't be the county waiting for everyone else.

Haukohl said she wouldn't object to changing the phrase that all counties should participate in order to release the funds to the WRRTC. She needs to see what the states contribution will be and to see if they will actually provide their contribution.

Esler said this is a complicated matter. Does Rock County have the money to improve the line in their county? Huntington said they do not. They are looking at different ways to find money to pay for the project. Esler said formerly if a rail line were improved, it would have been done by the train, state and counties. Huntington said they are looking at this issue seriously. How do you fund state projects? They are looking at the equal share payment issues and have been discussing this issue for more than four months. Herron said the commission is looking at models to determine how to pay for projects.

Motions to Adjourn

MOTION: B. Morris moved, Bruce second, to adjourn the Finance Committee meeting at 11:00 a.m.

Motion carried: 6-0.

MOTION: Behrend moved, Swan second, to adjourn the Public Works Committee meeting at 11:00 a.m. **Motion carried:** 7-0.

The Executive Committee took a ten-minute break.

Respectfully submitted,

Duane E. Paulson
Secretary